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TAGS: [PREL](#) [CH](#) [JA](#) [TW](#) [KN](#)
SUBJECT: EAP DAS CHRISTENSEN AND SHANGHAI SCHOLARS

CLASSIFIED BY: Simon Schuchat, Deputy Principle Officer, , US
Consulate Shanghai.
REASON: 1.4 (b), (d)

¶1. (C) SUMMARY: During a wide-ranging lunch discussion with EAP DAS Christensen on September 14, several of Shanghai's prominent international relations scholars stressed that it was important for China and the United States to have a clear understanding of each others positions. Two scholars acknowledged that China could do more to pressure North Korea to return to the Six-Party talks, but said it was unlikely that China would take on a tougher position for fear that it would lead to the regime's collapse and regional instability. One scholar characterized the recent protests in Taiwan as chaotic and said that President Chen Shui-bian would step down if asked by the United States. The scholars also reported that current Prime Minister and at the time Japanese Chief Cabinet Secretary Shinzo Abe was interested in visiting China in October and said that such a visit would be a good thing. The scholars did not believe Shanghai's pension scandal would affect Shanghai government operations or the economy. (Note: This was before former Shanghai Party Secretary Chen Liangyu was removed from office on September 24. End Note.) They personally supported the goal of democracy, but acknowledged that political reform in China would be a long-term process. End Summary.

¶2. (SBU) Consul General hosted a lunch on September 14 for EAP DAS Christensen Shanghai Association of American Studies President Ding Xinghao, with several prominent Shanghai scholars, including Shanghai Academy of Social Sciences (SASS) Vice President Huang Renwei, Fudan University Center for American Studies (CAS) President Shen Dingli, CAS Professor Ren Xiao, and Shanghai Institute of International Studies (SIIS) Director of Academic Exchanges Shao Yuqun. Deputy Consul General, Public Affairs Officer, and Poloff also attended the lunch.

North Korea

13. (C) The scholars probed DAS Christensen for the U.S. bottomline on North Korea. CAS Director Shen (protect) said it was important that the United States provide clear signals on North Korea. He added that the missile tests should not be the U.S. bottom-line and warned that the worst possible case scenario would be for North Korea to obtain nuclear weapons. He acknowledged that China could do more to pressure North Korea to return to the Six-Party talks, but added that it was in China's interest to maintain the current regime. According to Shen, as long as the Kim Jong-Il regime remained in power, the United States would be forced to rely on China to rein it in. He added that China must similarly rely on the United States to rein in Taiwan President Chen Shui-bian. He said, therefore, these two problems were linked and China would not take a tough position towards North Korea until it was confident that the United States was committed to containing Taiwan independence.

14. (C) SASS Vice President Huang (protect) disagreed that Taiwan and North Korea were linked. He agreed, however, that China could be more proactive. He said China was not willing to take a tougher stance towards North Korea because it feared the consequences of regime collapse. He added that in discussing North Korea, one must understand that there was nothing that can be done to change the leadership or power structure of the regime. He compared it to Yugoslavia and said that the collapse of such authoritarian regimes always led to chaos. Fudan University's Ren (protect) and Shen said that there were indications that North Korea's economy was improving and that it was interested in economic reform. Ren had recently traveled to North Korea where he saw fields of corn. Shen had recently hosted two North Korean diplomats who were very interested in

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learning about economic issues. DAS Christensen said he would welcome these developments if they were true, but cautioned that economic reforms, at best, were a long process and that one should not rely on such minor indications as evidence of North Korea's commitment to economic reform. Moreover, we can not afford to wait to see if North Korea will really carry out meaningful reforms over time while Pyongyang, in the meantime, is developing a nuclear arsenal. He urged that China be more proactive in encouraging North Korea to return to the Six-Party talks and implement the September 19, 2005 joint agreement.

Taiwan, Japan, SCO

15. (C) Huang characterized recent protests in Taiwan as chaotic. He asked whether the United States would interfere and tell President Chen Shui-bian to step down. DAS Christensen said that these protests were a part of the democratic process and that it was not appropriate for the United States to interfere. The United States does not pick and choose individual leaders for election or removal from office within democracies, but instead insists on a peaceful and legal political process. Huang said President Chen would step down if asked by the United States, but did not say whether he thought this would be a good thing.

16. (C) DAS Christensen expressed hope that Japan and China could improve bilateral relations. He added that disagreements over historical issues had become too exaggerated and urged that

Asian countries resolve the issue among themselves. Ren noted that there were reports that at the time Chief Cabinet Secretary and currently Prime Minister Shinzo Abe would like to visit China in October. Shen thought that this was a good sign and said China should be proactive and invite Abe. According to Huang, not only would this make China look good, but Abe would not be able to refuse the invitation.

17. (C) SIIS Shao Yugun (protect) raised the U.S. role in Central Asia and the Shanghai Cooperation Organization (SCO). She noted that there appeared to be a lot of discussions in the United States on the SCO and suggested that there should be Track II discussions on the issue to avoid any misunderstanding between the United States and China. She also noted that much of USG policy towards Central Asia depended on a stable Afghanistan, but presently Afghanistan was not stable. DAS Christensen agreed that more needed to be done to promote stability in Afghanistan and encouraged China to play a bigger role in this area, for example by fulfilling its existing pledges to deliver foreign aid. He added while some Americans worried about China's increased activity in the region, he thought that this activity was positive as long as it led to greater regional stability.

Responsible Stakeholder?

18. (C) Huang asked for more clarification of DAS Christensen's view on the concept of "responsible stakeholder." DAS Christensen repeated his comments made to students at a roundtable at Fudan (septel). He said China had not yet become the responsible stakeholder that Deputy Secretary Zoellick had envisioned and urged that China fully use its powers to play a more positive role in the international arena. Ding (protect) noted that there continued to be strategic misunderstandings between the United States and China and that international issues affected China's domestic development. He urged that

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more be done to improve communication between the two countries. DAS Christensen agreed and added that good U.S.-China relations had a positive effect on China's internal situation. He added that the United States would continue the senior dialogue that had been chaired by former Deputy Secretary Zoellick. The next round would be chaired by U/S Nick Burns.

Domestic Issues

19. (C) The Consul General asked about the impact of the recent pension scandal in Shanghai. Huang said that while the scandal was significant, he did not think it would influence the Shanghai government's operations or the economy. He added that the central government was investigating five or six additional cases of corruption, each of which was huge. Ding said he heard that one of the cases involved the wife of Executive Vice Premier Huang Ju. (Note: Ding made his comments prior to the removal of Shanghai Party Secretary Chen Liangyu. End Note.) Shen noted that as China had become wealthier, public servants were faced with more temptations and it was only human nature

that there would be such corruption problems.

¶10. (C) The scholars discussed China's development at length and said that in general China was on the right path. Ren said that most intellectuals believed that democracy was a worthy goal for China. He did not indicate, however, whether the government shared this belief. Ren was optimistic about China's future, but noted that China faced several difficult problems that it must carefully manage. Shen added that one of the disadvantages of a communist government was that when the government made a mistake, it had disastrous results. All of the scholars agreed that China faced significant challenges and that political reform would be a long-term process.

¶11. (U) DAS Christensen cleared this message.
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